



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

June 2, 2014

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

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Fifth District

## SACRAMENTO UPDATE

### Executive Summary

This memorandum contains reports on the following:

- **Change in Pursuit of County Position on Legislation. County-opposed AB 1897 (Hernández)** - related to employer liability for contracted labor or services, was amended on May 28, 2014 to specifically exclude public agencies from provisions of the bill. Therefore, unless otherwise directed by the Board, **the Sacramento advocates will remove the County's opposition to AB 1897 and take no position on this measure.**
- **Pursuit of County Position to Support SB 1341 (Mitchell).** This measure would codify the existing agreement between the Brown Administration, Covered California, and counties regarding the respective roles of the Statewide Automated Welfare System (SAWS) and the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS); and require SAWS to be the system of record for the Medi-Cal Program and contain all Medi-Cal eligibility rules. Therefore, unless otherwise directed by the Board, consistent with existing policy to support proposals that simplify and coordinate the health care enrollment and renewal process with existing programs such as CalFresh, and continue the use of county human service agencies to administer initial and ongoing Medi-Cal eligibility which interface with the Health Care Exchange, **the Sacramento advocates will support SB 1341.**

*"To Enrich Lives Through Effective And Caring Service"*

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- **Pursuit of County Position on a State Budget Item.** The County Welfare Directors Association (CWDA) is pursuing a budget proposal to provide clarification under current law regarding the CalWORKs Program Family Stabilization Services so that counties are not limited in providing rental subsidies funded with CalWORKs Single Allocation funds to only four months for CalWORKs homeless families participating in the Family Stabilization Program. Therefore, unless otherwise directed by the Board, consistent with existing policy to support proposals to increase services and benefits to prevent homelessness among families receiving CalWORKs, **the Sacramento advocates will support the budget proposal by CWDA to provide clarification under current law that the four month limitation on the housing subsidy does not apply to families participating in the Family Stabilization Services component of the CalWORKs Program.**
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#### **Change in Pursuit of County Position on Legislation**

**County-opposed AB 1897 (Hernández)**, which as amended on May 23, 2014, would require that most entities which contract for labor or services be liable for employment-related duties that their labor contractors fail to comply with, including the contractor's employee wages, tax contributions, worker's compensation coverage and occupational health and safety requirements, was amended on May 28, 2014. The amendments specifically exclude public agencies from provisions of the bill. County Counsel, the Internal Services Department, and the Department of Public Works report that, as amended, AB 1897 would no longer impact the County. Therefore, unless otherwise directed by the Board, **the Sacramento advocates will remove the County's opposition for AB 1897 and take no position on this measure.** AB 1897 passed the Assembly Floor by a vote of 51 to 23 on May 29, 2014, and now proceeds to the Senate.

#### **Pursuit of County Position on Legislation**

**SB 1341 (Mitchell)**, which as amended on May 6, 2014, would codify the existing agreement between the Brown Administration, Covered California, and counties regarding the respective roles of the Statewide Automated Welfare System (SAWS) and the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS); and require SAWS to be the system of record for the Medi-Cal Program and contain all Medi-Cal eligibility rules and case management functionality, among other provisions.

Existing law under the Federal Affordable Care Act (ACA) simplified the income, asset, and household rules for most Medi-Cal applicants which is called the Modified Adjusted Gross Income (MAGI) rules. To apply the new MAGI in the eligibility determination process, the Administration and Covered California created a new computer system, known as CalHEERS, and an agreement was reached between the Administration, Covered California, and counties that reflected existing statute naming SAWS as the system of record for Medi-Cal and requiring Medi-Cal eligibility functions to be in SAWS, while allowing CalHEERS to apply the new MAGI rules. Additionally, current law requires the California Department of Social Services (CDSS) Office of Systems Integration to implement a statewide automated welfare system for six specified public assistance programs, including Medi-Cal, CalFresh and CalWORKs Programs.

Specifically, SB 1341 would: 1) require CalHEERS to make the business rules available to the SAWS consortia to determine Medi-Cal eligibility; and 2) specify, effective January 1, 2016, the manner in which the functionality to create and send Notices of Action (NOAs) for the Medi-Cal Program would be implemented, including a requirement that SAWS be used to generate noticing language and NOA documents. NOAs are documents that inform applicants and beneficiaries of their eligibility results and provide them with information on how to appeal decisions made about their case.

The Department of Public Social Services (DPSS) indicates that the enactment of SB 1341 would alleviate the difficulties and confusion for families and individuals applying for and obtaining Medi-Cal coverage, and for the County staff who process Medi-Cal applications and administer ongoing Medi-Cal eligibility. Furthermore, DPSS notes that establishing SAWS as the system of record for the Medi-Cal Program and generating Medi-Cal Notices of Action for all mixed households would simplify the process for staff to better assist participants who apply for multiple public assistance programs, such as CalWORKs, CalFresh and Medi-Cal, and as their circumstances change.

This office and the Department of Public Social Services support SB 1341. Therefore, unless otherwise directed by the Board, consistent with existing policy to support proposals that simplify and coordinate the health care enrollment and renewal process with existing programs such as CalFresh, and continue the use of county human service agencies to administer initial and ongoing Medi-Cal eligibility which interface with the Health Care Exchange, **the Sacramento advocates will support SB 1341.**

SB 1341 is co-sponsored by the County Welfare Directors Association (CWDA), Services Employees International Union California and Tehama County Department of Social Services, and supported by the California State Association of Counties and Western Center on Law & Poverty, among others. There is no registered opposition.

SB 1341 passed the Senate Floor by a vote of 35 to 0 on May 28, 2014, and now proceeds to the Assembly.

### **Pursuit of County Position on a State Budget Item**

The County Welfare Directors Association is pursuing a budget proposal to provide clarification under current law regarding the CalWORKs Program Family Stabilization Services so that counties are not limited in providing rental subsidies funded with CalWORKs Single Allocation funds to only four months for CalWORKs homeless families participating in the Family Stabilization Program.

Existing law, under AB 74 (Chapter 21, Statutes of 2013), provides that a CalWORKs participant shall be eligible to participate in Family Stabilization Services if the county determines that the family is experiencing and/or identifies a situation or crisis that is destabilizing the family and would interfere with participation in Welfare-to-Work activities and services, such as homelessness or imminent risk of homelessness. Family Stabilization Services are currently limited to six cumulative months, and funding is allocated and tracked separately from CalWORKs Single Allocation funding.

According to the County Welfare Directors Association, there is an apparent conflict between existing guidance and current law that would undermine the intent of Family Stabilization Services. Guidance from the California Department of Social Services that existed prior to Family Stabilization places a limitation of four months on housing subsidies in the CalWORKs Welfare-to-Work Program. However, it was the intent of the Legislature that counties be granted flexibility within Family Stabilization to provide any services a family is assessed as needing in order to address their crisis situation, and that such services are not limited to those already provided for in existing rules. CWDA indicates it would be inconsistent to place an arbitrary four month limitation on housing support within this component, particularly when it is currently limited to six months.

The Department of Public Social Services indicates that removing the four month limitation on the rental subsidy would allow the County greater flexibility in assisting CalWORKs families accessing Family Stabilization Services with obtaining a

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basic level of stability by ensuring that they have adequate and stable housing. According to DPSS, in December 2013, out of 173,847 CalWORKs families, there were 14,064 homeless CalWORKs families.

This office and the Department of Public Social Services support the budget proposal by CWDA. Therefore, unless otherwise directed by the Board, consistent with existing policy to support proposals to increase services and benefits to prevent homelessness among families receiving CalWORKs, **the Sacramento advocates will support the budget proposal by CWDA to provide clarification under current law that the four month limitation on the housing subsidy does not apply to families participating in the Family Stabilization Services component of the CalWORKs Program.**

This proposal is supported by the California State Association of Counties. There is no known opposition at this time. On May 28, 2014, the Assembly Budget Committee adopted placeholder trailer bill language that would clarify that funds provided for Family Stabilization may be used to provide housing and other services for any month that a family is participating in this component of the CalWORKs Program. The Senate Budget Committee did not take action on this specific item, and it is expected to be considered by the Budget Conference Committee.

We will continue to keep you advised.

WTF:RA  
MR:OR:IGEA:ma

c: All Department Heads  
Legislative Strategist  
Local 721  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations  
Buddy Program Participants